

6715

RECEIVED
LEGISLATIVE AUDITOR
2001 JUN 29 AM 10:35

SPARTA GROUNDWATER CONSERVATION
DISTRICT

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2000

Under provisions of state law, this report is a public document. A copy has been submitted to the entity and other appropriate offices. The report is available for public inspection at the Rouge office of the auditor, or at the appropriate office of the auditor, where appropriate, at the office of the parish clerk of court.

Release Date 8-15-01

**Sparta Groundwater Conservation District
Ruston, Louisiana**

**General Purpose Financial Statements
As of and for the Year Ended December 31, 2000
With Supplemental Information Schedules**

CONTENTS

	Page
Independent Auditor's Report	1
General Purpose Financial Statements:	
Balance Sheet - All Fund Types and Account Groups	2
Governmental Funds:	
Statement of Revenues, Expenditures, and Changes in Fund Balances	3
Notes to the Financial Statements	4
Independent Auditor's Reports Required by Government Auditing Standards:	
Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting	7
Schedule of Findings and Questioned Costs	9

JAMIESON, WISE & MARTIN
A Professional Accounting Corporation

601 Main Street P. O. Box 897
Minden, Louisiana 71058-0897
(318) 377-3171 Fax (318) 377-3177

MICHAEL W. WISE, CPA Email: mwjwm@cwide.net
CARLOS E. MARTIN, CPA Email: jwm@cwide.net
DAVID W. TINSLEY, CPA Email: dtjwm@cwide.net

KRISTINE J. HARPER, CPA Email: khjwm@cwide.net
JENNIFER SMITH, CPA Email: jsjwm@cwide.net

WM. PEARCE JAMIESON, CPA (1991)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

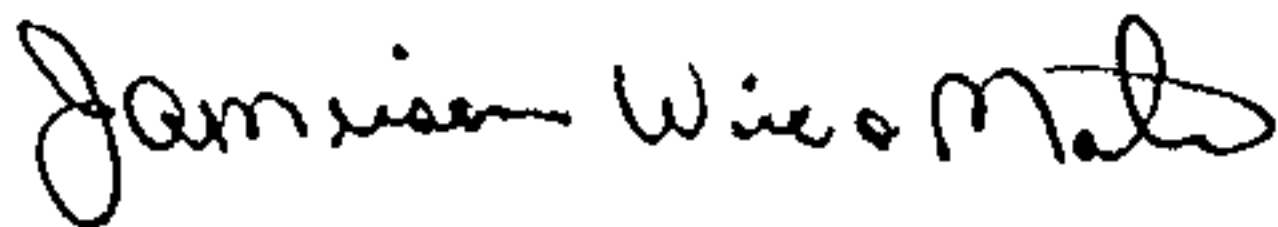
INDEPENDENT AUDITORS' REPORT

Sparta Groundwater Conservation District

We have audited the accompanying general purpose financial statements of the Sparta Groundwater Conservation District, Louisiana, as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Sparta Groundwater Conservation District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Sparta Groundwater Conservation District, Louisiana, as of December 31, 2000, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States.



Minden, Louisiana
June 21, 2001

Sparta Groundwater Conservation District

Ruston, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 2000

	<u>GENERAL FUND</u>
ASSETS AND OTHER DEBITS	
Assets:	
Cash and cash equivalents	<u>\$363,307</u>
TOTAL ASSETS AND OTHER DEBITS	<u><u>\$363,307</u></u>
LIABILITIES, EQUITY, AND OTHER CREDITS	
Liabilities:	
Accounts payable	<u>\$13,771</u>
Total Liabilities	<u>13,771</u>
Fund balances:	
Unreserved - undesignated	<u>349,536</u>
Total Equity and Other Credits	<u>349,536</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u><u>\$363,307</u></u>

The accompanying notes are an integral part of this statement.

Sparta Groundwater Conservation District

Ruston, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS

**Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2000**

	<u>GENERAL FUND</u>
REVENUES	
Intergovernmental revenues:	
State of Louisiana grants	339,000
Parish & Municipal grants	39,000
Interest earnings	1,240
Other revenues:	
Other contributions	6,251
Total revenues	<u>385,491</u>
EXPENDITURES	
Engineering fees	35,209
Other	746
Total expenditures	<u>35,955</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>349,536</u>
FUND BALANCES (Deficit) AT BEGINNING OF YEAR	<u>-</u>
FUND BALANCES (Deficit) AT END OF YEAR	<u><u>349,536</u></u>

The accompanying notes are an integral part of this statement.

Sparta Groundwater Conservation District
Ruston, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2000

INTRODUCTION

Act NO. 1228 of the 1999 Regular Session of the Louisiana Legislature created the Sparta Groundwater Conservation District. The purpose of the district is to (1) preserve the water supply from the Sparta Aquifer; (2) To conduct a study of the increasing use of water for municipal, industrial, agricultural, recreational, and other purposes in North Central Louisiana; of the continued uncontrolled use of groundwater from the Sparta; of ways that such water can be put to the highest beneficial use; and of how to provide for the efficient administration, conservation and development of other groundwater resources in the parishes of Bienville, Bossier, Caddo, Caldwell, Claiborne, Jackson, LaSalle, Lincoln, Moorehouse, Natchitoches, Ouachita, Richland, Sabine, Union, Webster and Winn parishes, and (3) to educate and increase public awareness in North Louisiana about the Sparta Aquifer..

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Sparta Groundwater Conservation District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The district is a component unit of the State of Louisiana, the financial reporting entity. The State of Louisiana is financially accountable for the district because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the district and do not present information on the state of Louisiana, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Sparta Groundwater Conservation District
Ruston, Louisiana
Notes to the Financial Statements (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

1. General Fund--the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Contributions and grants are recognized when received

Expenditures

Expenditures are reported when incurred.

E. BUDGETS

The district uses the following budget practices:

The district adopted a two-year budget for its project. The two-year budget is as follows:

REVENUES:

State appropriation FY 1999-2000	\$80,000
State Appropriation FY 2000-2001	259,000
Governor's Office of Rural Development Grant	79,992
Local Contributions	<u>44,400</u>
Total Revenues	\$462,992

Sparta Groundwater Conservation District
Ruston, Louisiana
Notes to the Financial Statements (Continued)

EXPENDITURES	
Professional fees	\$452,000
Equipment & Supplies	1,992
Office Supplies	6,000
Travel Expense	<u>3,000</u>
Total Expenditures	\$462,992

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

2. CASH AND CASH EQUIVALENTS

At December 31, 2000, the district has cash and cash equivalents (book balances) totaling \$363,307 in interest bearing demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2000, the district has \$363,307 in deposits. These deposits are secured from risk by \$100,000 of federal deposit insurance and \$263,307 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

JAMIESON, WISE & MARTIN

A PROFESSIONAL ACCOUNTING CORPORATION

601 MAIN STREET P. O. BOX 897

MINDEN, LOUISIANA 71058-0897

(318) 377-3171

FAX (318) 377-3177

E-MAIL JWM@CWISE.NET

MICHAEL W. WISE, C.P.A.
CARLOS E. MARTIN, C.P.A.
DAVID W. TINSLEY, C.P.A.

KRISTINE J. HARPER, C.P.A.
JENNIFER C. SMITH, C.P.A.

WM. PEARCE JAMIESON, C.P.A. (1991)

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Sparta Groundwater Conservation District
Ruston, Louisiana

We have audited the financial statements of Sparta Groundwater Conservation District as of and for the year ended December 31, 2000, and have issued our report thereon dated June 21, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

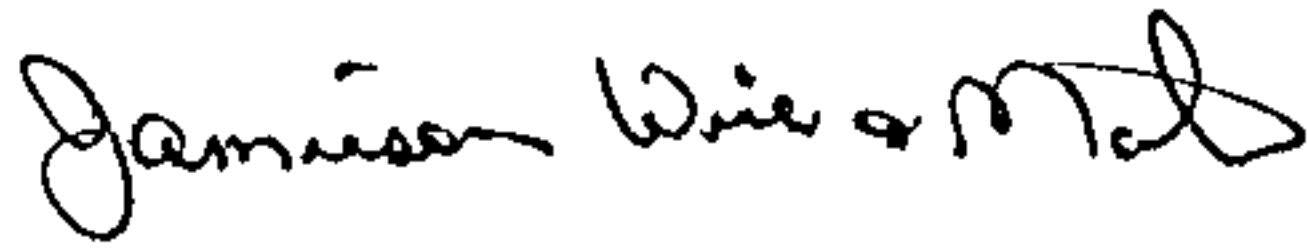
Compliance

As part of obtaining reasonable assurance about whether Sparta Groundwater Conservation District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sparta Groundwater Conservation District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Jamieson Wise & Martin". The signature is stylized and cursive.

Jamieson, Wise & Martin
June 21, 2001

Sparta Groundwater Conservation District
Ruston, Louisiana

Schedule of Findings and Questioned Costs
For the year Ended December 31, 2000

A. Summary of Audit Results

1. The auditor's report includes an unqualified opinion on the general purpose financial statements of the Sparta Groundwater Conservation District.
2. No instances of noncompliance material to the financial statements were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control.
4. No management letter comments were issued.